United Nations A/65/305/Add.1

General Assembly

Distr.: General
7 September 2010

Original: English

Sixty-fifth session
Item 136 of the provisional agenda*
Human resources management

Human resources management reform: contractual arrangements and harmonization of conditions of service

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 63/250 and following the discussion on contractual arrangements and harmonization of conditions of service during the main part of the sixty-fourth session of the General Assembly.

Since the submission to the General Assembly of the previous reports of the Secretary-General on human resources management reform, considerable progress has been achieved in contractual reform, on the basis of resolutions and decisions of the Assembly.

The present report provides additional information concerning the implementation of continuing appointments as requested by the General Assembly in section II, paragraphs 3 and 4, of its resolution 63/250, and updated information on the number of staff who were converted to a permanent appointment as a consequence of the one-time review.

* A/65/150.

10-48785 (E) 131010

Please recycle

In order to facilitate the review of the continuing appointment by the General Assembly and with a view to implementing continuing appointments by 1 January 2011, the Secretary-General has included information in the present report on the following issues: procedures for the granting and termination of continuing appointments, including eligibility criteria and the role of the performance appraisal system; financial and managerial implications of granting continuing appointments, including the possible establishment of a ceiling; and implications of the implementation of continuing appointments for the system of geographical ranges, for Junior Professional Officers and for successful candidates from competitive examinations.

The present report also contains information on the conditions of service in non-family duty stations.

The proposed action to be taken by the General Assembly is set out in section V of the present report.

I. Contractual reform

A. Implementation of human resources reforms

1. In his report on investing in people[1] and the follow-up report on harmonization of conditions of service,[2] the Secretary-General presented a package of human resources reforms which involved simplifying the contractual arrangements and harmonizing the conditions of service of Secretariat staff in non-family duty stations with those of the United Nations agencies, funds and programmes to better enable the Organization to deliver as one. Having considered the proposals of the Secretary-General and the recommendations of the International Civil Service Commission (ICSC),[3] the General Assembly, in its resolution 63/250, approved the new contractual arrangements, which would consist of three types of appointments (temporary, fixed term and continuing), under one set of Staff Rules. It also decided that all staff appointed or assigned to peacekeeping operations and special political missions should be installed in their respective duty stations in accordance with the conditions of service of the United Nations common system. The Assembly decided to designate existing established missions as family missions and existing special missions as non-family missions, effective 1 July 2009 (rather than in line with the security designation). The Assembly decided not to implement the special operations approach[4] for non-family duty stations. In addition, the Assembly approved the introduction of a rest and recuperation scheme, to include travel time but no payment of travel expenses, for internationally recruited staff in United Nations field operations, to replace the occasional recuperation break, effective 1 January 2009.

2. Following the adoption by the General Assembly of resolution 63/250, a comprehensive plan was put in place to implement the above-mentioned provisions of the resolution in field operations. The new contractual arrangements under one set of Staff Rules approved by the Assembly in resolution 63/250 were implemented in field missions on 1 July 2009. After a review of all staff on 300-series appointments of limited duration, 3,620 international staff in peacekeeping operations and special political missions were reappointed from 300-series to fixed-term appointments under the new staff rules provisionally in effect as of 1 July 2009. In addition, all staff serving under the 200 series of the Staff Rules were reappointed under the new staff rules. The latter staff already had similar conditions of service to those under the new staff rules. The common system of allowances and benefits, without the special operations approach, was implemented in all non-family missions effective 1 July 2009. Internationally recruited staff appointed or assigned to a non-family duty station are now installed at the non-family duty station and receive payment of an assignment grant, a relocation grant for

[1] A/61/255 and Add.1 and Add.1/Corr.1.

[2] A/61/861.

[3] See A/61/30/Add.1.

[4] Under the special operations approach, a location near the non-family duty station, with adequate medical, educational and housing facilities, is designated as an administrative place of assignment. The staff member and eligible family members are installed at the administrative place of assignment, from which the staff member receives the post adjustment, assignment grant, shipment of personal effects and mobility and hardship allowance. The staff member then deploys to the non-family duty station, where he/she receives payment of hazard pay and a special operations living allowance to cover living expenses at the non-family duty station.

unaccompanied shipment, post adjustment, a mobility allowance, a hardship allowance, hazard pay and a rental subsidy, as applicable, for their place of assignment. As a transitional measure, those staff from Headquarters or other offices on detail assignment or reimbursable loan to a field mission and in place as of 30 June 2009 were permitted to remain in travel status for the duration of their assignment period. Any extension or any new mission assignment effective on or after 1 July 2009 was made as an assignment involving a change of duty station, with payment of post adjustment at the non-family duty station. This transitional measure expired on 30 June 2010. And effective 1 January 2009, the occasional recuperation break was replaced with a rest and recuperation scheme that included travel time in addition to five working days of leave not charged to annual leave.

B. Impact of reforms

3. The streamlining of contractual arrangements has made possible the integration of the field and Headquarters into one global Secretariat that is better positioned to manage its workforce and to respond to mandates from Member States. This integration is reflected in the new staff selection system which provides one integrated system for the appointment and promotion of staff across the United Nations Secretariat. It also creates more opportunities for the career development of field staff, since they are considered internal staff for vacancies in the Secretariat once they have gone through a competitive process, including review by a central review body. It also provides incentives to encourage the mobility of staff from Headquarters to the field by recognizing staff members' higher-level assignments in the field.

4. In line with General Assembly resolution 63/250, former 300-series staff reappointed on a fixed-term appointment remain limited to service with a specific mission until they have gone through a competitive process that is subject to review by a central review body. As of 30 June 2010, 2,269 candidates had been placed on a roster after endorsement by the Field Central Review Body, of whom 1,109 are staff who were formerly on 300-series appointments of limited duration. Once candidates are selected from the roster, their appointments will no longer be limited to service with a specific mission. The removal of the limitation on service will enable the Under-Secretary-General for Field Support to transfer staff laterally across missions when needed, thereby facilitating faster deployment in emergency situations. The establishment and population of this roster have involved significant investment and will make possible a more rapid and targeted deployment of staff in response to changes in mandates. The full benefits of the roster for field deployment will become more apparent over time and, in accordance with section II, paragraph 13 of resolution 63/250, a full evaluation of the new system of contracts will be provided to the General Assembly at its sixty-seventh session.

5. The implementation of the new contractual arrangements approved by the General Assembly and the discontinuation of the 300-series appointment of limited duration in field missions has allowed for the equal and fair treatment of staff and improvement of the compensation package for those staff formerly appointed on 300-series appointments of limited duration. Whereas, as at 30 June 2008, 46 per cent of mission staff were serving on contracts of less than one year, as at 1 July 2009, 87 per cent of mission staff held fixed-term appointments of one year or longer. Granting staff appointments of a longer duration has reduced the turnover

rate. The longer appointments not only provide staff with some stability but they also reduce the administrative burden of processing frequent renewals of short-term appointments when they reach their expiration date, thereby allowing human resources staff to devote more time to other tasks. While the full impact of the contractual reforms will become more evident over time, the improvement in the turnover rate for Professional staff in field missions so far suggests that the reforms have had a positive impact in retaining staff serving in field missions. That turnover rate has been reduced from 27.5 per cent for the calendar year 2007 and 27 per cent for 2008 to 23.9 per cent for the period from January to December 2009.

II. Harmonization of conditions of service

A. Need for harmonization

6. One of the Secretary-General's priorities is to make it possible for the United Nations Secretariat and the separately administered funds and programmes to deliver results in the most effective manner. In the interest of integrating the field and Headquarters into a global workforce and enhancing inter-agency mobility, it is imperative that the gaps that continue to exist be closed and that conditions of service across the common system be harmonized.

7. As described above, the new contractual arrangements and conditions of service for non-family missions have resulted in significant progress in this area. However, there is more to be done. The Professional staff turnover rate of 23.9 per cent is still high and hampers the ability of missions to perform effectively. Also, the goal of harmonizing the conditions of service of Secretariat staff with those of the United Nations agencies, funds and programmes, which would allow for a truly global and coherent organization, has not yet been fully achieved.

Family/non-family missions

8. The most obvious anomaly is that, for Secretariat staff, missions are currently designated as "family" or "non-family" solely on the basis of whether they were previously "established" or "special" (see General Assembly resolution A/63/250), rather than on the basis of the security phase in effect in the mission area, that is to say, the true picture on the ground. For everyone else — the staff of United Nations offices, agencies, funds and programmes — the designation of a duty station as "family" or "non-family" is solely dependent upon the security phase. Addis Ababa and Nairobi, for example, are family duty stations for staff of the Economic Commission for Africa and the United Nations Office at Nairobi, but are considered non-family locations for mission staff. Such disparities act as a disincentive for staff to take up mission assignments in those locations. With over 90 per cent of staff in peacekeeping operations and special political missions assigned to non-family missions, there is currently very little opportunity to serve in a family location. Designating missions as family or non-family in line with the security assessment would create more opportunities for staff to serve in a family location and would enable staff to better balance their career and family responsibilities. Designating missions as family or non-family in line with the true security assessment would be logical and equitable, and would improve the ability to recruit and retain staff.

2. Compensation for staff in non-family duty stations

9. There also remains significant inequity in the conditions of service of Secretariat staff assigned to a non-family location as compared to those of their colleagues in the funds and programmes serving in the same location. In the absence of the special operations approach, Secretariat staff are required to maintain a separate residence for their families away from the non-family duty station, but remain uncompensated for the additional cost of maintaining the second household. In effect, this means that they are penalized for being willing to serve in the very hardest places, as compared to their Secretariat colleagues in family duty stations or indeed their colleagues in the funds and programmes in non-family duty stations who are compensated through having the special operations approach.

3. Rest and recuperation

10. In his report on harmonization of conditions of service (A/61/861), the Secretary-General proposed that the occasional recuperation break be replaced with paid rest and recuperation travel, harmonized with the practice of the United Nations agencies, funds and programmes. As mentioned above, in resolution 63/250 the General Assembly approved the replacement of the occasional recuperation break with a rest and recuperation scheme that includes travel time, but without paid travel. All other United Nations agencies, funds and programmes provide for paid travel to a designated location for rest and recuperation. The purpose of rest and recuperation is to periodically remove staff from stressful and difficult conditions in order to ensure that they are able, upon their return to duty, to work at optimal performance. It is therefore an operational imperative that staff working under very stressful conditions be able to take rest and recuperation breaks. However, in the absence of paid rest and recuperation travel, the use of the rest and recuperation incentive represents a financial burden for the staff which, at times, limits the effective use of this incentive established to ensure recovery and sustainable working conditions.

B. Proposals for harmonizing conditions of service

11. In an effort to address the issues identified above, the United Nations Secretariat initially proposed to ICSC the introduction of a modified version of the extended monthly security evacuation allowance provided for in the Field Security Handbook, which would be a flat amount of $2,500 per month for international staff serving in non-family duty stations. ICSC, in its consideration of the matter in 2010,[5] proposed instead that the approach should be:

(a) To designate family and non-family duty stations in line with the security assessment;

(b) That there should be a harmonized approach to compensation, allowances and benefits for staff assigned to non-family duty stations that would replace the special operations approach used by the funds and programmes and specialized agencies, recognizing that serving in such areas with their family elsewhere represents an additional level of financial and psychological hardship. Staff paid at the dependency rate should receive an additional amount under the existing hardship

[5] See Report of the International Civil Service Commission for the year 2010 (A/65/30).

scheme equivalent to the applicable dependency rate of the hardship allowance in category E duty stations. Staff paid at the single rate should receive an additional amount equivalent to half of the applicable single rate of the hardship allowance in category E duty stations. Staff should continue to receive the hardship allowance itself at the level applicable to the duty station in which they serve;

(c) That paid rest and recuperation should apply to all common system organizations.

12. In line with the views of ICSC, the Secretary-General supports its recommendations that:

(a) The designation of mission duty stations as family or non-family be harmonized on the basis of a security assessment and the practice of the United Nations agencies, funds and programmes;

(b) The existing hardship allowance be changed, so that staff serving in non-family duty stations would receive an additional amount (as outlined in para. 11 above);

(c) A framework for rest and recuperation travel, considered critical for staff, be introduced, consisting of payment of travel expenses from the duty station to a designated location as well as of a lump-sum amount of $750 as a contribution towards accommodation costs and terminal expenses. Whenever United Nations transportation is available, it will be provided free of charge and no payment of travel costs will apply;

(d) Organizations should be encouraged to absorb the additional costs imposed by the rest and recuperation framework within existing resources.

13. Should the General Assembly approve the recommendations of ICSC, the personal transitional allowance paid to staff who otherwise would have experienced a loss in compensation when moving to the new conditions of service approved by the Assembly in resolution 63/250 will be eliminated.

14. The conditions of service of United Nations Volunteers provide for the extension to them of the same rest and recuperation scheme that is provided to the staff of the organization in which they serve. Accordingly, should the General Assembly approve the introduction of paid rest and recuperation travel for international field staff, international United Nations Volunteers serving with United Nations field operations would also be eligible for paid rest and recuperation travel under the same conditions as international staff. This would also harmonize the rest and recuperation scheme of United Nations Volunteers serving with the United Nations Secretariat with the scheme enjoyed by United Nations Volunteers serving with the separately administered funds and programmes in the same duty stations.

C. Financial implications

15. Should the General Assembly decide to approve the ICSC recommendations contained in its report for the year 2010 (A/65/30), the total financial implications are estimated to be $130.5 million, comprised of $116 million under the peacekeeping budget and $14.5 million under the regular budget, as follows:

(a) $28.4 million per annum for the designation of mission locations as family duty stations ($18.6 million for peacekeeping operations and $9.7 million for special political missions), which would be offset by savings from the discontinuation of the personal transitional allowance, bringing the total net estimated cost for the first year to $20.4 million ($16.9 million for peacekeeping operations and $3.5 million for special political missions);

(b) $45.1 million per annum for rest and recuperation travel of staff members ($40.3 million for peacekeeping operations and $4.8 million for special political missions);

(c) $19.6 million per annum for rest and recuperation travel for United Nations Volunteers ($18.9 million for peacekeeping operations and $742,000 for special political missions);

(d) $63 million per annum ($57.2 million for peacekeeping operations and $5.8 million for special political missions) for the introduction of an additional allowance under the existing mobility and hardship scheme for staff at non-family duty stations, which would be offset by savings from the reduction of the personal transitional allowance, bringing the total net estimated cost to $45.3 million for the first year ($39.8 million for peacekeeping operations and $5.5 million for special political missions).

III. Continuing contracts

A. Introduction

16. In section II, paragraphs 2 and 3 of its resolution 63/250, the General Assembly approved the new contractual arrangements, comprising three types of appointments (temporary, fixed-term and continuing) under one set of Staff Rules, effective 1 July 2009, and requested the Secretary-General not to grant any continuing appointments pending its consideration of additional information on that issue at its sixty-fourth session.

17. The Assembly also requested the Secretary-General to report to it at its sixty-fourth session on several issues identified in section II, paragraph 4 of resolution 63/250, with a view to the implementation of a system for the continuing appointment regime by 1 January 2010.

18. In response to that request the Secretary-General submitted a report entitled "Implementation of continuing appointments" (A/64/267) to the General Assembly at its sixty-fourth session containing a proposal for the granting of continuing appointments. However, it was decided to withdraw the proposal on the basis of concerns expressed by Member States and to submit a revised proposal to the General Assembly at its sixty-fifth session, taking into account the concerns raised by the Fifth Committee and those raised by the Advisory Committee on Administrative and Budgetary Questions in its report (A/64/518). The concerns were primarily focused on the definition of the continuing need for the services and functions of staff members; the numbers of staff that possibly would be eligible for a continuing appointment; the review process; and the financial liability.

19. The present report contains a revised proposal for the implementation of the continuing appointment in the United Nations Secretariat and addresses the concerns raised by both the Fifth Committee and the Advisory Committee.

20. Formal consultations between the staff and the management of the United Nations were held to develop a revised proposal for the implementation of the continuing appointment. In June 2010, the Staff Management Consultative Committee reached agreement on the revised proposal concerning the implementation of the continuing appointment to be presented to the Secretary-General, for his consideration and subsequent submission to the General Assembly, the details of which are set out in section B below.

21. The separately administered funds and programmes[6] will continue to have flexibility in the implementation of the new continuing appointment in regard to their own staff, taking into account their respective operational needs, as long as their use of the continuing appointment is in accordance with the Staff Regulations and Rules of the United Nations.

B. Overview of the revised proposal

22. The Secretary-General is of the view that a continuing appointment should not be seen as a career appointment, but as an open-ended appointment which, for administrative ease, is granted to staff who have devoted years of their lives to the service of the Organization and have proved the value of their work, often in difficult and hardship conditions. The continuing appointment will provide these staff with a sense of job security, which is widely recognized as an incentive for long-term performance and commitment to an organization.

23. The Secretary-General maintains his basic proposal that the possibility of a continuing appointment should be open to a staff member who has a minimum of five years of continuous service on a fixed-term appointment with the Organization, provided that he or she meets the highest standards of efficiency and competence, corresponding to a performance rating of 3 or above in the four most recent performance appraisal reports, that he or she has not been subject to any disciplinary measure during the five years prior to the time of review and that the office in which the staff member serves is not faced with a foreseeable end of mandate or with an expiration of funding.

24. In addition, the Secretary-General proposes that staff who are granted a continuing appointment have an obligation to maintain updated skills relevant to the evolving work environment and in compliance with the learning policy elaborated in the Secretary-General's bulletin on learning and development policy (ST/SGB/2009/9). Furthermore, internationally recruited Professional staff who accept a continuing appointment will also have to make a commitment to remaining mobile, including a commitment to geographic mobility, as an organizational requirement.

[6] This refers to the funds and programmes that issue letters of appointment under the Staff Regulations and Rules of the United Nations and does not refer to specialized agencies, funds or programmes with different staff regulations and rules.

25. In addition to the traditional grounds for termination of an appointment prescribed in Staff Regulation 9.3 and provisional staff rule 9.6, the continuing appointment may be also terminated, without the staff member's consent, if "such action would be in the interest of the good administration of the Organization, to be interpreted principally as a change or termination of a mandate". In those circumstances, a termination indemnity is payable to the affected staff member. The provision of this indemnity reinforces the underlying concept that the continuing appointment is not an inflexible instrument that would not allow the Organization to adjust staffing quickly. In fact, unlike permanent appointments, continuing appointments could be terminated at any point if "such action would be in the interest of the good administration of the Organization".

26. A difference between the present proposal and the proposal submitted to the General Assembly in the Secretary-General's earlier report (A/64/267) is that in the previous proposal one of the proposed criteria for eligibility for consideration for a continuing appointment would be if "the services and functions of the staff member are required by the Organization for the foreseeable future".[7] That proposed requirement led to several discussions about the challenges surrounding providing the evidence that would back the requirement up. Under the ICSC framework on which the United Nations contractual arrangements are based, the continuing appointment is intended for staff who perform functions that are "core to the mandate" of the Organization. By contrast, under the ICSC framework, mandates of a finite duration, which are part of the Organization's regular and continuing activities would only qualify for fixed-term appointments.

27. Following the debate in the Fifth Committee at the sixty-fourth session of the General Assembly, a number of fundamental questions were raised, including whether the definitions used in paragraph 26 above provide a suitable basis for distinguishing between continuing and fixed-term appointments and whether it is possible to define a "continuing need". The Secretary-General considers that it would not be consistent with the Organization's operational requirements to assess "continuing needs and requirements" by simple reference to a particular mandate, function or post. Staff are not limited to a post and the characteristics of a particular post should not have an impact on career prospects or job stability. Simple reference to a particular mandate, function or post would run counter to the objective of the creation of a workforce that is truly flexible and adaptable to the evolving needs of the Organization. Since staff members would be understandably reluctant to assume new functions of uncertain duration or funding, e.g. peacekeeping operations or positions financed through voluntary contributions, that approach would, in fact, prevent the Organization from deploying its staff in such a way as to allow it adequate flexibility to implement its mandate. If all staff who work in projects or entities with finite mandates were to be ineligible for consideration for continuing appointments, staff would be unwilling to assume posts in such projects or entities, thereby undermining the capacity for programme delivery. Very often, in the set-up or end phase of a project, experienced long-serving staff are needed. However, such staff would be unwilling to undertake an assignment of finite duration if doing so required their reassignment to a post with limited funding and jeopardized their continuing appointment. This would translate into an operational limitation that would undermine the capacity for rapid deployment and for adjusting programme delivery.

[7] A/63/298, para. 24 (b).

28. In this respect, the ICSC requirement of "functions that are core to the mandate" of an organization for the granting of a continuous appointment raises a number of issues. For instance, one could argue that peacekeeping activities are core to the mandate of the United Nations. And yet, it is mostly the activities of peacekeeping that have a specific time frame and are not funded from the regular budget, which would mean that staff performing those functions would be barred from being considered for a continuing appointment if the time frame for funding or for the mandate is inherently limited. On the other hand, does the definition of "core functions" refer to another group of activities, those that are carried out in any organization and that are inherently continuing in nature because they provide the operational support needed for the proper functioning of an organization? This understanding would implicitly mean that staff working on the programmatic side of the Organization would only be granted fixed-term appointments, because they carry out functions of a finite nature, while staff performing administrative functions would qualify for continuing appointments, as their functions are continuing in nature. This understanding is essentially inequitable and, if implemented, would surely represent an obstacle to long-term operational planning. Also, the assumption that certain functions are ongoing and others clearly short-term is increasingly at odds with the nature of work in the Organization. Moreover, it has been shown that many once-"core functions" can be outsourced while other project-based activities are central to the reputation and success of the Organization.

29. Based on the above, the appropriate approach would be to consider that the majority of the activities of the Organization do qualify, in principle, for a continuing appointment regardless of the source of funding, programme, function or location. The only exclusions would be really finite activities, such as those for which temporary assistance is required to meet seasonal or peak workloads or additional staff are hired to meet surge requirements in emergency situations; functions and activities that have been earmarked for phasing out; and those of offices with a foreseeable end of mandate or expiration of funding.

C. Implementation of continuing appointments as of 1 January 2011

1. Criteria for eligibility for consideration for a continuing appointment

30. Further to the basic proposal outlined in paragraph 23 above, the Secretary-General proposes that the following criteria regulate consideration of eligibility for the granting of a continuing appointment:

(a) A minimum of five years of continuing service under the Staff Regulations of the United Nations and the Staff Rules:

(i) A staff member of the United Nations Secretariat who has accrued five years of continuous service on a fixed-term appointment, including periods of service in an entity that applies the Staff Regulations of the United Nations and the Staff Rules, will be deemed eligible for consideration for a continuing appointment;

(ii) Staff members who were previously appointed under the 100, 200 or 300 series and have been appointed since 1 July 2009 on a fixed-term appointment under the new provisional staff rules, will be deemed to be

eligible for consideration for a continuing appointment if they have served for five years continuously;

(iii) Breaks in service would interrupt the accrual of the five years of continuing service and the clock would have to be reset;

(iv) Service on a temporary appointment does not count towards eligibility for the continuing appointment;

(b) A performance rating of 3 or above in the four most recent performance appraisal reports and the staff member has not been subject to any disciplinary measure during the five years prior to the time of the review;

(c) As mentioned in paragraph 23 above, the continuation for the foreseeable future of the mandate of the office in which the staff member is serving would need to be taken into account when staff meeting criteria (i) to (iv) were considered for a continuing appointment.

31. Staff holding appointments limited to service in a particular office will not be excluded from consideration for continuing appointments. However, their continuing appointment will be limited to that particular office. Staff working in programmes for which the continuation of the mandate is not foreseeable or funds are expected to run out shortly will not be eligible for a continuing appointment.

2. Non-eligibility of Junior Professional Officers and associate experts

32. The General Assembly decided in section II, paragraph 24 of its resolution 63/250 that the period of service of Junior Professional Officers should not be taken into account as part of the requisite period of service for a continuing appointment. Accordingly, their prior years of service as Junior Professional Officers will not count towards the attainment of the five years of continuous service required for eligibility for consideration for conversion to a continuing appointment. Similarly, their years of service as Junior Professional Officers under the new, fixed-term appointment to which they have been transitioned or which they have been granted with effect from 1 July 2009, will also not count towards the five years of continuous service in the future.

33. Junior Professional Officers will continue to be considered external candidates for the purpose of the staff selection system for Secretariat vacancies, as their appointment under the Junior Professional Officer arrangement was not reviewed by a central review body.

3. Financial and management implications

(a) Possible establishment of a ceiling

34. The financial implications of converting fixed-term appointments to continuing appointments are primarily linked to the financial liability of the Organization in relation to the payment of termination indemnity to holders of continuing appointments, should their appointments be terminated. The Secretary-General is aware that staff holding fixed-term appointments do not represent the same liability, as their contracts expire on a given date and they do not have any expectation, legal or otherwise, of renewal or conversion of their fixed-term appointments, as reflected in the Staff Regulations and the Staff Rules, as well as in

their offers and letters of appointments. This is consistent with the General Assembly's request in section II, paragraph 21 of resolution 63/250.

35. Establishing a cap or ceiling on the number of staff who would be eligible for consideration for, or who would be granted, a continuing appointment could, potentially, limit the number of staff holding continuing appointments and the related financial liability of the Organization.

36. The Secretary-General, however, maintains the position that a ceiling on the number of conversions to continuing appointments is not sound management practice, as expressed in his report on streamlining contractual arrangements (A/63/298, para. 30). The Secretary-General considers that the imposition of a ceiling would effectively result in a requirement to maintain a constant precise level, either a percentage or a number, of staff on continuing contracts, which would be administratively burdensome, requiring constant monitoring and thus significant resources. The introduction of a ceiling would also seem to run counter to the very notion that the process is based on merit and would result in the arbitrary exclusion of certain staff at any one time who would otherwise be eligible for consideration for a continuing appointment on the basis of all the stated criteria. All this would certainly expose the Organization to appeals in the internal justice system based on claims of arbitrariness and inequitable treatment of staff, which could place a significant financial burden on the Organization. Any ceiling placed on the number of conversions to continuing appointments might also perpetuate perceptions of inequity among various groups of staff, which the contractual reform was originally intended to address. The Secretary-General also notes that natural attrition would ensure that not all staff would hold continuing appointments, because newcomers join on fixed-term appointments for a period of up to five years and projections show that 2.1 per cent of the staff population will retire annually between 2011 and 2015. Furthermore, positions of a clearly finite nature should always be staffed through fixed-term or temporary appointments.

37. As mentioned above, the Secretary-General considers that linking continuing appointments to a ceiling in relation to particular posts, mandates or functions might discourage staff from applying for and accepting posts in specific projects or entities if they were to be ineligible for continuing appointments. This would be a de facto obstacle to achievement of the declared objective of having an adaptable and flexible workforce.

38. The Secretary-General is of the view that the proposed criteria for conversion to a continuing appointment (five years of continuous service, satisfactory performance and no disciplinary record) will already effectively exclude staff who do not meet the criteria of the highest standards of efficiency, competence and integrity (as a result of performance and/or disciplinary issues), do not reach five years of service (for various reasons of attrition, including voluntary separation, retirement and the end of project activities, among others), or because the continuation of the mandate of the programme in which they work is not foreseeable. These criteria will ensure that a reasonable percentage of staff always remain on temporary and fixed-term appointments.

39. In its report on human resources management (A/64/518), the Advisory Committee on Administrative and Budgetary Questions noted that, given the significant population of staff who may be awarded permanent appointments consequent to the one-time review, as well as the significant growth in recent years

in the number of staff working in United Nations peace operations, it might be necessary to regulate the total number of staff with a long-term claim on the Organization. The Committee also noted that there might be some need to ensure that the Organization can adjust its staff population and profile to changing needs. In compelling circumstances, continuing appointments could be terminated for the reason indicated in paragraph 25 above. Contrary to permanent appointments, continuing appointments could also be terminated without the consent of the staff member if it were in the interest of the Organization (to be interpreted principally as a change or termination of a mandate). The latter ground for termination covers a number of legitimate considerations, such as changing needs, functions and mandates of the United Nations, the reorientation of its programmes or funding cuts.

40. The table below shows the number of staff who may be eligible over the next five years for consideration for conversion to a continuing appointment, taking into account all categories of staff in all duty stations meeting the eligibility criterion of five years of continuing service. This would be a phased process.

Number of staff eligible for continuing appointment, by year

Year	*Number of staff*
2011	9 059
2012	4 212
2013	4 755
2014	8 190
2015	1 414
Total	**27 630**

41. It has been argued that the possible establishment of a ceiling on the number of continuing appointments is primarily linked to financial considerations. It could also be argued that a ceiling might contribute to increased competitiveness among staff within the Organization and in essence be a means of improving on-the-job performance. The Secretary-General considers that the imposition of a ceiling would not be an effective tool for addressing performance issues, nor would it address the concern that conversion to continuing appointments should not be tantamount to automatic conversion. As for the creation of a separate mechanism for a competitive process to be used in determining suitability for continuing appointments, it would appear to be both costly and cumbersome, and would duplicate existing human resources systems that already provide a competitive process, e.g. selection and promotion.

42. The Secretary-General considers that the most appropriate tool to address staff performance is the performance management system and the proposed requirement that staff would need to have satisfactory performance appraisals in their last four reports and a clean disciplinary record over the past five years in order to be considered for a continuing appointment. With respect to competitiveness, the Secretary-General considers that the staff recruitment system fully ensures a highly competitive process for the selection of candidates who meet the Organization's standards. The Secretary-General is therefore of the view that an arbitrary ceiling would not in any way be as effective as, or a substitute for, a highly effective and

competitive recruitment system combined with a well-functioning performance evaluation mechanism.

43. Whereas the Secretary-General recognizes that a prudent approach would be required with regard to the number of conversions to continuing appointments, he considers that this would be adequately addressed through the proposed criteria for the granting of a continuing appointment set out in paragraph 30 above, which would in themselves ensure that continuing appointments are not granted "automatically" and that a percentage of the staff always remain on temporary or fixed-term appointments.

44. Moreover, the Secretary-General considers that any advantage that might be linked to the establishment of a ceiling on the number of continuing appointments would be outweighed by its difficulties and that a ceiling would become very burdensome from an administrative perspective. For example, if the Organization were to limit the granting of continuing appointments to a certain percentage of the staff, it would be necessary to determine from which "population" of staff the percentage should be drawn. Consideration would have to be given to, inter alia, whether a percentage should be applied to all staff of the global Secretariat regardless of type of appointment; to staff on fixed-term appointments only; to staff serving on regular budget posts only or also to staff serving on extrabudgetary posts; whether the percentage should be linked to staff serving in specific functions and/or to departments or locations; and whether staff members holding permanent appointments should be excluded. These are not hypothetical concerns; they are practical considerations, any of which could expose the Organization to possible claims by adversely affected staff.

(b) Role of the performance appraisal system, options for strengthening it and relationship with disciplinary measures

45. ICSC was initially of the view that the Secretary-General's proposal on continuing appointments would be tantamount to automatic conversion, and the Advisory Committee on Administrative and Budgetary Questions shared that concern.

46. The Secretary-General's proposal requires a thorough review of the performance of staff and the absence of any disciplinary measure, in addition to the criterion of the mandate of the programme continuing in the foreseeable future, for a decision to be taken on whether to grant a continuing appointment. A thorough review of the staff member's performance will include examination of his or her official file and performance evaluations. In order to satisfy the criterion of the highest standards of efficiency, competence and integrity, the staff member will need to have received fully successful performance ratings for the last four performance periods and should not have been subject to any disciplinary measure during the five years prior to the time of the review.

47. In its report (A/64/518), the Advisory Committee on Administrative and Budgetary Questions noted the efforts under way to strengthen the performance management system. The Committee further noted that, as requested by the General Assembly in section VI, paragraph 4 of its resolution 63/250, the Secretary-General would report to the Assembly at its sixty-fifth session on the review of the current performance appraisal system. The Advisory Committee looked forward to receiving the Secretary-General's report. The Secretary-General reports in paragraphs 66 to 93

of his report to the General Assembly on Human resources reform (A/65/305) on the changes made to the performance appraisal system, as well as on the pilot study currently being undertaken.

(c) Rigorous and transparent procedures: central management of conversion

48. The Secretary-General indicated in his report on streamlining contractual arrangements (A/63/298, para. 23), that a joint review body should thoroughly evaluate all cases of staff eligible for consideration for a continuing appointment, considering both the staff member's performance and the continuing need for the functions. In addition to the performance review mentioned in paragraph 46 above, the joint review body would consider whether the services and functions of the staff member were required by the Organization for the foreseeable future.

49. As previously indicated by the Secretary-General in his report on investing in people[1] and acknowledged by the General Assembly in paragraph 18 of resolution 63/250, there is a need to centrally manage the conversion to continuing appointments on a competitive and transparent basis. Following further discussions by the Staff-Management Coordination Committee at its thirtieth session, the Secretary-General proposed that the Office of Human Resources Management, on behalf of the Secretary-General, would retain overall authority to grant continuing appointments, which would be delegated to offices away from Headquarters and field missions for locally recruited staff. Accordingly, joint review bodies would be centralized for international staff, while for local staff they would be established locally.

50. In its report on human resources management (A/64/518), the Advisory Committee on Administrative and Budgetary Questions agreed with the Secretary-General that the conversion process should be managed centrally by the Office of Human Resources Management, primarily because the latter is the only entity equipped to have a global picture of overall workforce needs. The Committee was concerned, however, that the proposed process was overly burdensome. The Committee believed that the review would be very time-consuming for those administering it. It suggested that, to streamline the process, one option would be to refer cases to a joint advisory body for review only where there was disagreement between the programme manager and the Office of Human Resources Management. The Committee recommended that the General Assembly might wish to request that the Secretary-General, while ensuring that the review process remains sufficiently rigorous, identify other options for streamlining it.

51. After careful consideration, the Secretary-General agrees with the Advisory Committee's proposal to streamline the review process. The Secretariat already has a number of human resources systems and tools which can support a review of staff for continuing appointments, such as the competency framework, the performance appraisal system and the learning systems. Under the new staff regulations and rules, all staff recruited on a fixed-term appointment of one year or longer have to go through a competitive selection process and the initial fixed-term appointment may be extended for up to a maximum period of five years, which is a long enough time to assess a staff member's performance. Therefore, when the five-year mark has been reached by the staff member, the following internal procedures shall apply:

(a) For internationally recruited staff, as well as for staff at Headquarters in New York, the process begins with the programme manager (in the field) or the head

of department (at Headquarters) undertaking a review of staff eligible for continuing appointments, taking into account the staff member's performance and, if any, disciplinary record. For this purpose, the local human resources office or the Department of Field Support in the field, or the relevant executive offices at Headquarters, shall provide, on a regular basis, departmental lists of staff who have met the eligibility requirement for consideration for continuing appointment (five years of continuous service) to the programme managers or heads of departments;

(b) The recommendation coming out of this first review, positive or negative, shall be submitted in the field to the local human resources office or the Department of Field Support, as appropriate, and at Headquarters to the Office of Human Resources Management. At this stage, a second review shall be carried out, covering the staff member's performance and verification that he or she has not been subject to any disciplinary measure in the preceding five years, as well as a determination as to whether there is a need for the staff member's services. From the field, the results of the second review shall be submitted to the Office of Human Resources Management, as the central focal point for all final reviews;

(c) If there is a joint recommendation from the first and second reviews that the staff member should be granted a continuing appointment, the staff member will normally be granted such an appointment. However, in instances where the Office of Human Resources Management does not agree with the recommendation, a request for a central review body to review the case may be made at the discretion of the Office of Human Resources Management, providing the justification for said request;

(d) If there is no joint positive recommendation, the Office of Human Resources Management shall submit the case to the appropriate advisory body for review and advice. Subsequent to the review by the advisory body, the case shall be submitted to the Assistant Secretary-General for Human Resources Management for a final decision on behalf of the Secretary-General;

(e) For the purpose of upholding the central management of the granting of continuing appointments, the Secretary-General wishes to point out that the proposal is for the Office of Human Resources Management to retain central authority for the granting of all continuing appointments, which would enable the Office to ensure that the granting or non-granting of continuing appointments is undertaken in a fair and transparent manner, with full regard to due process and the rights of staff;

(f) Staff members will have the right to contest a negative decision through the internal justice system, since a decision not to grant a continuing appointment to an eligible staff member would constitute an administrative decision, which may be appealed under chapter X of the Staff Rules;

(g) For locally recruited staff in the field, authority to grant continuing appointments will be delegated to offices away from Headquarters, which will follow a similar procedure as that described above.

(h) The Secretary-General's proposals are in line with the framework for contractual arrangements in the organizations of the United Nations common system adopted by ICSC, which states that "appointment to a continuing contract is

acquired through open and transparent selection procedures in accordance with the organization's staff regulations and rules".[8]

(d) Career development and mobility

52. Further to paragraph 24 above, staff members who are granted a continuing appointment shall commit themselves to maintaining updated skills relevant to the evolving work environment and in compliance with the learning policy elaborated in the Secretary-General's bulletin on learning and development policy (ST/SGB/2009/9), in particular establishing appropriate learning and development goals based on:

(a) Needs derived from programme priorities at the organizational and departmental levels, as outlined in the relevant workplans;

(b) Current or future work assignments that are consistent with the goals and priorities of the Organization;

(c) Assessment of the individual staff member's needs;

(d) Career and professional development goals in relation to current and future job requirements.

53. To ensure a multi-skilled workforce to support global operations, the Organization shall commit itself to supporting staff and providing relevant training, from within available resources, to enable them to update their skills.

54. Staff who are granted a continuing appointment shall comply with the Organization's mobility policy, including geographic mobility for internationally recruited Professional staff, in accordance with the current administrative instruction (ST/AI/2007/2) and future revisions thereof.

(e) Termination of continuing appointments in a fair and transparent manner with full regard to due process and the rights of staff: potential ramifications of amendment of staff regulation 9.1

55. Under the Secretary-General's proposal, a continuing appointment could be terminated for the following reasons:

(a) Abolition of a post or reduction in the number of staff;

(b) Unsatisfactory performance;

(c) Health reasons;

(d) Disciplinary reasons;

(e) Facts anterior to the appointment of the staff member coming to light after recruitment, which, under the standards established by the Charter, would have precluded his or her appointment;

(f) In the interest of the Organization, if the staff member is in agreement;

(g) In the interest of the good administration of the Organization, without the staff member's agreement, pursuant to staff rule 9.6 (d). As stated in General

[8] A/60/30, annex IV, para. 10.

Assembly resolution 63/250, the good administration of the Organization is to be interpreted principally as a change or termination of a mandate.

56. The Secretary-General fully recognizes his obligation to protect staff against arbitrary termination in this context and proposes procedures with checks and balances in cases of termination of continuing appointments. There are already established procedures in place for termination for the reasons mentioned in subparagraphs (a) to (f) above.

57. With regard to subparagraph (g), the Staff-Management Coordination Committee, at its recent meeting, agreed on principles for the establishment of standard operating procedures to be followed during processes of downsizing or reduction in force.

58. A decision to terminate a continuing appointment would constitute an administrative decision, which the staff member could appeal under chapter X of the Staff Rules.

(f) Implications for the system of desirable ranges

59. With respect to the possible implications of the implementation of continuing appointments for the system of geographical ranges, the Secretary-General clarified during the sixty-third session of the General Assembly that the appointment status of a staff member and his or her type and duration of appointment are not linked. In other words, a staff member may currently be granted geographical appointment status, while being appointed on a fixed-term or probationary/permanent appointment:

(a) A staff member may receive geographical appointment status only if he or she applies, and is competitively selected through standard recruitment procedures, for a regular budget post in the Professional and higher categories that is subject to the system of desirable ranges established by the General Assembly in resolution 42/220 A of 21 December 1987. The staff member will maintain that status throughout his or her career, even if he or she subsequently is assigned to a non-geographical post.

(b) The base figure for the number of posts subject to geographical distribution was set on 1 January 1988 at 2,700. The figure is adjusted when the actual number of regular budget posts subject to geographical distribution increases or decreases by 100. As at 30 June 2010 the base figure set at 3,300, as a result of the change in the number of regular budget posts in the Professional and higher categories subject to the system of desirable ranges.

60. The introduction of continuing appointments would therefore have no impact on the system of desirable ranges. For example, a staff member may be competitively recruited for a fixed-term appointment against a "non-geographical post". Subject to the staff member's completion of five years of continuous service and satisfaction of the other criteria for consideration for conversion to a continuing appointment, the staff member could receive a continuing appointment, but would maintain his or her "non-geographical appointment" status until he or she applies to and is competitively selected for a post designated as a "geographical post". It should be noted that the regular mobility and turnover of staff will continue to provide opportunities for the recruitment of new staff to both bring new talent into the Organization and improve the geographical and gender balance.

(g) Options for ensuring that candidates from competitive examinations are not disadvantaged by the proposed changes

61. In section II, paragraph 23 of resolution 63/250, the General Assembly reaffirmed that, while continuing appointments were not implemented, successful candidates from competitive examinations, including language staff, would continue to be granted open-ended appointments after two years of probationary service in accordance with the current practice.

62. Under the current practice, successful candidates from the national competitive examinations and language examinations are granted permanent appointments after two years of probationary service. In the new contractual framework, these candidates may receive continuing appointments after two years on fixed-term appointments. This has been reflected in provisional staff rule 4.14 (b), which stipulates that "staff members recruited upon successful completion of a competitive examination pursuant to staff rule 4.16 shall be granted a continuing appointment after two years on fixed-term appointment, subject to satisfactory service" (see ST/SGB/2010/6).

63. Consequently, successful candidates from the national competitive examinations and language examinations will not be disadvantaged by the proposed implementation of continuing appointments. Successful candidates from the national competitive examinations and language examinations recruited on or before 30 June 2009 will be eligible for a permanent appointment. Successful candidates from the national competitive examinations and language examinations recruited on or after 1 July 2009 will be eligible for a continuing appointment.

Conclusion

64. The General Assembly also has before it a separate report (A/65/202) on the provisional staff rules, which the Secretary-General issued in accordance with staff regulation 12.2. Should the General Assembly approve the Secretary-General's proposals for the implementation of the continuing appointment, the relevant rules (staff rules 4.14 and 4.16) will be amended to reflect any decision taken by the General Assembly during its sixty-fifth session on this issue, and the provisional staff rules will enter into full force and effect on 1 January 2011 to allow implementation of continuing appointments as of that date.

65. The Secretary-General would report to the General Assembly on the above-mentioned amendments to the Staff Rules at its sixty-sixth session and the amended new Staff Rules would enter into full force with effect from 1 January 2012, in accordance with staff regulation 12.4.

IV. Permanent contracts

66. The General Assembly, in its resolution 63/271, requested the Secretary-General to submit a report to it at its sixty-fifth session regarding the status of the review of staff members eligible for consideration as at 30 June 2009 for a permanent appointment.

67. It will be recalled that in November 1995 the Secretary-General announced a freeze on the granting of permanent appointments to staff serving on fixed-term or probationary appointments. The Secretary-General exempted from the freeze staff

serving on probationary appointments who were recruited through the national competitive examinations and competitive language examinations. In June 2006, the Secretary-General decided to partially lift the freeze and conducted an exercise to consider for conversion to a permanent appointment those staff who were eligible as of 13 November 1995 to be considered for a permanent appointment. As a result, 905 staff members were converted to permanent appointments at that time.

68. In his report entitled "Detailed proposals for streamlining the United Nations contractual arrangements: the way forward" (A/63/298), the Secretary-General noted that should the General Assembly approve his proposals, permanent appointments would be discontinued as from 1 July 2009. Any change of contractual framework would not, however, affect staff who currently hold permanent appointments or staff who would have acquired rights under existing rules to be considered for permanent appointments by the time the change became effective.

69. In the light of the General Assembly's approval, in its resolution 63/250, of his proposals on contractual reform, the Secretary-General decided to proceed with a one-time review of those staff with acquired rights to be considered for conversion to a permanent appointment.

70. A Secretary-General's bulletin was issued setting forth the eligibility criteria for consideration for conversion to a permanent appointment (ST/SGB/2009/10). In accordance with former Staff Rule 104.12 (b) (iii), staff members on fixed-term appointments, upon completion of five years of continuing good service and who are under the age of 53 years, are to be given every reasonable consideration for a permanent appointment. A permanent appointment may be granted, taking into account all the interests of the Organization, to eligible staff members who, by their qualifications, performance and conduct, have fully demonstrated their suitability as international civil servants and have shown that they meet the high standards of efficiency, competence and integrity established in the Charter.

71. Over 5,500 staff members of the Secretariat who have met the eligibility criteria set out in former Staff Rule 104.12 (b) (iii) are currently being considered for conversion to a permanent appointment in the context of the one-time review. To date, 1,506 staff from 29 departments were found to be both eligible and suitable for conversion, of whom 1,398 have been approved for conversion by the Office of Human Resources Management and 1,198 have already been converted to permanent appointments. It is expected that the exercise will be concluded in 2011.

V. Action to be taken by the General Assembly

72. The General Assembly is requested to consider:

(a) Endorsing the recommendations of the International Civil Service Commission with regard to the harmonization of conditions of service in non-family duty stations, as reflected in the report of the International Civil Service Commission for 2010;

(b) Requesting the International Civil Service Commission to keep the issue of conditions of service in the field for the United Nations common system under review;

(c) Approving the implementation of continuing appointments as of 1 January 2011 under the conditions specified in the present report.